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2022/2023 PhD Thesis Abstract

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RT: Sustainability Practices and Value Creation of Firms listed on the Nigerian Exchange Group

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AB: The value of a firm reflects the prosperity level of its owners. Literature has shown that more than 15 years after the occurrence of global financial crisis, firms in the emerging market still reflect sub-optimal records of investment and productivity which have negative effect on their value. This sub-optimal value creation is suggestive of lack of sustainability practices among firms listed on the Nigerian Exchange Group. Research has further shown that sustainability practices enhance the value of firms, however not many firms have integrated this into their operations. This study therefore examined the effect of sustainability practices on value creation (Tobin's Q, Price earnings ratio, Market value and Total Assets) of firms listed on the Nigerian Exchange Group.

The study employed *ex-post facto* research design. The population comprised 168 financial and non-financial companies listed on the Nigerian Exchange Group (NGX) as at 31st December 2020. Twenty-six firms with relevant data were purposively selected from the listed companies. Validated data, covering a period of 10 years (2011 - 2020), were extracted from published annual reports and sustainability reports of the sampled firms. Reliability of the data was premised on the auditors' and regulatory agencies certification of the source documents. Descriptive and inferential (multiple regression) statistics were used to analyse the data at 5% significant level.

Findings revealed that sustainability practices had significant effect on Tobin's Q ($Adj.R^2 = 0.10$, $F(4, 256) = 22.19$, $p < 0.05$), while firm size significantly controlled the effect of sustainability practices on Tobin's Q ($Adj.R^2 = 0.10$, $F(5, 260) = 36.48$, $p < 0.05$);

Sustainability practices did not have significant effect on price-earnings ratio ($Adj.R^2 = 0.006$, $F(4, 281) = 1.45$, $p > 0.05$), while firm size significantly controlled the effect of sustainability practices on price-earnings ratio ($Adj.R^2 = 0.003$, $F(5, 260) = 36.48$, $p < 0.05$). Sustainability practices did not have significant effect on market value ($Adj.R^2 = 0.03$, $F(4, 256) = 1.96$, $p > 0.05$), while firm size significantly controlled the effect of sustainability practices on market value ($Adj.R^2 = 0.074$, $F(5, 260) = 36.48$, $p < 0.05$). The results also revealed that sustainability practices had significant effect on total asset ($Adj.R^2 = 0.11$, $F(5, 258) = 195.88$, $p < 0.05$), while firm size significantly controlled the effect of sustainability practices on total asset ($Adj.R^2 = 0.4305$, $F(5, 260) = 375.14$, $p < 0.05$). Sustainability practices had significant effect on firm value creation ($Adj.R^2 = 0.000$, $F(5, 260) = 11.03$, $p < 0.05$), while firm size significantly controlled the effect of sustainability practices on firm value creation ($Adj.R^2 = 0.14$, $F(5, 260) = 22.70$, $p < 0.05$).

The study concluded that sustainability practices enhances firm value creation in listed firms in Nigeria. It was recommended that management of firms should integrate sustainability practices into their operations to achieve value creation. Regulators and policy makers should encourage firms listed in Nigeria exchange group to fully integrate sustainability practices so as to create value for their stakeholders.

Keywords: Market value, Price-earnings ratio, Sustainability practices, Tobin`s Q, Total asset, Value creation

Word Count: 487

Abbreviations: *RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract*

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